

Alaska Waste - Juneau, LLC
Cost of Disposal Surcharge Update
Memorandum

Date: **May 7, 2020**

| | | |
|---|-------------------------------------|-------------------------------------|
| Utility Name Alaska Waste - Juneau, LLC | Utility File No. TA54-653 | Date Filed: April 1, 2020 |
|---|-------------------------------------|-------------------------------------|

FILING SUMMARY

| | | |
|---|--|---|
| Statutory Deadline: May 18, 2020 | Tariff Sheet recommended for approval: Tariff Sheet No. 50 April 1, 2020 | Staff Recommended Effective Date: April 30, 2020 |
| Side-by-side Tariff Sheets attached as Appendix 3 | | |

CODS SUMMARY

| Prior Commission Determination TA Number | Date of Prior Commission Determination | Prior Commission Determination | Staff Recommended Determination | Change |
|---|---|-----------------------------------|------------------------------------|---------|
| TA48-653 | April 30, 2020 | 0.1491% | 1.1535% | 1.0044% |

Signed: Becki Alvey Utility Tariff Analyst

Becki Alvey

Reasons for the above recommendation: See Attached Memorandum

| | Date, if different from 5/7/2020 | I CONCUR | I DO NOT CONCUR | I WILL WRITE A DISSENTING STATEMENT* |
|----------|-------------------------------------|-------------------|--------------------|--|
| Pickett | | <i>RMP</i> | | |
| McAlpine | | <i>SM</i> SM | | |
| Scott | | <i>AGS</i> AGS | | |
| Sullivan | | <i>DS</i> DS | | |
| Wilson | | <i>JW</i> JW | | |

Special Instructions to Staff: _____

* If this column is initialed, Staff will contact the Commissioner for the statement. Otherwise, dissent will be noted at the close of the By Direction Letter or Order

**Alaska Waste - Juneau, LLC
Cost of Disposal Surcharge Update
Memorandum**

To: Robert M. Pickett, Chair
Stephen McAlpine
Antony Scott
Daniel A. Sullivan
Janis W. Wilson

Date: May 7, 2020

File: TA54-653

Utility: Alaska Waste - Juneau, LLC

From: Becki Alvey

Subject: CODS

CODS Comments

Staff reviewed this tariff filing to ensure compliance with applicable regulations (3 AAC 48.200-3 AAC 48.430). Staff also reviewed the proposed tariff sheets to ensure the stated text is easily understood, and the tariff provisions clearly and comprehensively describe and address the situation to which the tariff provision applies. Proposed revisions to CODS are reviewed pursuant to the methodology approved with Order No. U-13-164(13) and must be filed with documentation supporting entries in the balancing account for the historical period and projections for the future period.

Staff Notes:

The projected disposal costs increased from \$2,172,766 to \$2,203,879. The balancing account balance increased from (\$58,766) to (\$26,520). The estimated revenues increased from \$5,803,627 to \$5,871,128. The overall effect of upward pressure from the increase in projected costs, increase in the balancing account balance, and increase in estimated revenue results in an increase in Alaska Waste - Juneau's CODS from 0.1491% to 1.1535%. Staff notes that Alaska Waste Juneau has proposed to change its CODS methodology in TA

Staff Recommendation:

The Commission should approve Tariff Sheet No. 50, filed April 1, 2020, by Alaska Waste - Juneau, LLC with TA54-653. The effective date of the tariff sheet should be April 30, 2020.

Alaska Waste - Juneau filed a revenue requirement study (RRS) on December 23, 2019, designated as TA52-653. TA52-653 was suspended into U 20-010 on February 6, 2020 (see Order No. U-20-002(1)/U-20-003(1)/U-20-004(1)/U-20-005(1)/U-20-006(1)/U-20-007(1)/U-20-008(1)/U-20-009(1)/U-20-010(1), issued February 6, 2020). With filing, Alaska Waste - Juneau proposed a new CODS methodology with its permanent rates. This updated methodology has not been approved. Staff verified that the current filing is calculated using the currently approved methodology. Therefore, Staff does not recommend suspension of TA54-653 into Alaska Waste - Juneau's pending revenue requirement study.

Signature: 

Email: bob.pickett@alaska.gov

Signature: 
Stephen McAlpine (May 7, 2020)

Email: stephen.mcalpine@alaska.gov

Signature: 

Email: antony.scott@alaska.gov

Signature: 
Dan Sullivan (May 7, 2020)

Email: daniel.sullivan@alaska.gov

Signature: 

Email: janis.wilson@alaska.gov

Alaska Waste - Juneau, LLC
Calculation and Comparison of Customer Bill
TA54-653

| Customer Bills | Prior Determination | Updated Determination | Change |
|-------------------------------------|---------------------|-----------------------|---------|
| Surcharge (%) | 0.1491% | 1.1535% | 1.0044% |
| Customer Bill - Blue Zone | | | |
| 1X 96 Gallon Roll Cart | \$34.97 | \$34.97 | \$ - |
| Regulatory Cost Charge @ 0.658% | \$0.30 | \$0.30 | \$ - |
| COFS Surcharge ((0.3193%)) | (\$0.57) | (\$0.57) | |
| Surcharge Amount (\$) | \$0.05 | \$0.40 | \$ 0.35 |
| Total Customer Bill (\$) | \$34.75 | \$35.10 | \$ 0.35 |
| Customer Bill- Not Blue Zone | | | |
| 1X 96 Gallon Roll Cart | \$33.65 | \$33.65 | |
| Regulatory Cost Charge @ 0.658% | \$0.29 | \$0.29 | \$ - |
| COFS Surcharge ((0.3193%)) | (\$0.55) | (\$0.55) | |
| Surcharge Amount (\$) | \$0.05 | \$0.39 | \$ 0.34 |
| Total Customer Bill (\$) | \$33.44 | \$33.78 | \$ 0.34 |
| Customer Bill- Commercial | | | |
| 1X 1.50 Cubic Yard | \$91.45 | \$91.45 | |
| Regulatory Cost Charge @ 0.658% | \$0.31 | \$0.32 | \$ 0.01 |
| COFS Surcharge ((0.3193%)) | (\$1.48) | (\$1.48) | |
| Surcharge Amount (\$) | \$0.14 | \$1.05 | \$ 0.91 |
| Total Customer Bill (\$) | \$90.42 | \$91.34 | \$ 0.92 |

Alaska Waste - Juneau, LLC
Cost of Disposal Surcharge Amount
TA54-653

| Calculation of Cost of Disposal Surcharge | | |
|---|---------------------|-----------------------|
| Line Description | Prior Determination | Updated Determination |
| A Estimated Per Ton Expense | \$ 154.01 | \$ 157.89 |
| B Estimated Tons | 14,108.02 | 13,958.32 |
| C Total Estimated Disposal Costs (A*B) | \$ 2,172,776 | \$ 2,203,879 |
| D Balancing Account Balance | \$ (58,766) | \$ (26,520) |
| E Total (D+E) | \$ 2,114,010 | \$ 2,177,359 |
| F Estimated Retail Sales | \$ 5,803,627 | \$ 5,817,128 |
| G Projected Cost of Disposal (E/F) | 36.4257% | 37.4301% |
| H Base Cost of Disposal | 36.2766% | 36.2766% |
| I Cost of Disposal Surcharge Amount (G-H) | 0.1491% | 1.1535% |

| Comments |
|----------|
| |

| Actual Costs | | | |
|-------------------|-----------------|------------------|--------------|
| | Prior Quarter | Reported Quarter | Change |
| Per Ton Cost | \$ 150.67 | \$ 150.67 | \$ - |
| Total Cost | \$ 2,125,639.06 | \$ 2,125,639.06 | \$ - |
| Balancing Account | \$ (58,766.26) | \$ (26,520.22) | \$ 32,246.04 |

| Actual Revenues | | | |
|--------------------|-----------------|------------------|--------|
| | Prior Quarter | Reported Quarter | Change |
| Surcharge Revenues | \$ (19,626.02) | \$ (19,626.02) | \$ - |
| Base Cost Revenues | \$ 2,105,358.37 | \$ 2,105,358.37 | \$ - |

RCA No. 653 First Revision Sheet No. 50Cancelling Original Sheet No. 50

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Alaska Waste-Juneau, LLC**300.100 COST OF DISPOSAL SURCHARGE ADJUSTMENT (continued)****JUNEAU AREA**

COST OF DISPOSAL SURCHARGE

(1) Annual Cost for 2018 T

| Source | Tons | Price per Ton | Total | |
|------------------|-----------|-----------------------|--------------|---|
| Disposal Expense | 14,108.02 | X \$ 154.01 per ton = | \$ 2,172,766 | I |

(2) Balance in Cost of Disposal Balancing Account as of **12/31/2018** (\$ 58,766) T I

(3) Total Lines (1) and (2) above \$ 2,114,010 I

(4) Estimated Annual Revenue \$ 5,803,627 I

(5) Projected Cost of Disposal (Line (3))/(4)) 36.4257% I

(6) Base Cost of Disposal Pursuant to U-14-114 36.2766%

(7) Cost of Disposal Surcharge (Line (5)-(6)) .1491% I

This surcharge applies all rates except for roll off service.

Tariff Advice No. TA48-653 Effective: April 30, 2019Issued By: Alaska Waste – Juneau, LLCBy: Heather Garland Title: Pricing ManagerRCA No. 653 Second Revision Sheet No. 50Cancelling First Revision Sheet No. 50**Alaska Waste-Juneau, LLC****300.100 COST OF DISPOSAL SURCHARGE ADJUSTMENT (continued)****JUNEAU AREA**

COST OF DISPOSAL SURCHARGE

(1) Annual Cost for 2019 T

| Source | Tons | Price per Ton | Total | |
|------------------|-----------|-----------------------|--------------|---|
| Disposal Expense | 13,958.32 | X \$ 157.89 per ton = | \$ 2,203,879 | I |

(2) Balance in Cost of Disposal Balancing Account as of **12/31/2019** (\$ 26,520) T I

(3) Total Lines (1) and (2) above \$ 2,177,359 I

(4) Estimated Annual Revenue \$ 5,817,128 I

(5) Projected Cost of Disposal (Line (3))/(4)) 36.4301% I

(6) Base Cost of Disposal Pursuant to U-14-114 36.2766%

(7) Cost of Disposal Surcharge (Line (5)-(6)) 1.1535% I

This surcharge applies all rates except for roll off service.

Tariff Advice No. TA54-653 Effective: April 30, 2020Issued By: Alaska Waste – Juneau, LLCBy: Heather Garland Title: Pricing Manager